



COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

DAVID W. SWEET
COMMISSIONER

June 29, 2017

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Written Ex Parte Communications, WC Docket Nos. 10-90, 14-58,
and 14-259

Dear Chairman Pai:

The Pennsylvania Public Utility Commission writes as a follow up to recent communications addressing the FCC's pending Connect America Fund II auction for rural broadband support. Since 1993, through an unprecedented commitment of legislative mandates and financial resources, the Pennsylvania General Assembly, the PA PUC, its regulated industry, and its ratepaying citizens have proactively addressed and funded broadband deployment where market forces alone are insufficient motivators. Our effort to modernize rural broadband under federal standards and through the FCC's auction continues and enjoys unparalleled bipartisan support from the Commonwealth of Pennsylvania and its Congressional Representatives.

Like those who have written to the FCC in support of the auction, Pennsylvania also stands behind the FCC's efforts to design a timely, balanced, and technologically-agnostic auction to extend access to modern broadband services to underserved rural communities. However, this should also include the 64 of Pennsylvania's 67 counties for which the business decision of one provider may mean the difference between receiving the benefit of the *objectively-designed, model-based CAF II support intended for those Pennsylvania counties* or having it diverted as additional funding to rural areas outside of Pennsylvania, itself a redistribution that upends the FCC's originally balanced and considered proposal.

Pennsylvania's Petition pending before the FCC was designed in strict adherence to the FCC's tenets of cost-effectiveness and efficiency while also maintaining all parameters of FCC network design, including attention to speed, latency, and capacity. This assures that with the auction as modified by Pennsylvania, networks built in Pennsylvania with CAF II support will be robust and sustainable, more than sufficient to withstand the vicissitudes of nature including not only typical mid-Atlantic rain and snow but also the scourges of ice, hail, tornadoes, and hurricanes more commonly experienced outside of Pennsylvania.

From our Pennsylvania farmers who are a staple of our economy to our coal miners who are the fifth highest producers of coal in the nation, our rural citizens deserve the opportunity to benefit from the marketing, educational, health care, and employment opportunities that can be provided under the modern broadband enabled by the CAF II support designed for them. Grant of the Pennsylvania Petition affords that opportunity while providing any bidder willing to deploy in the Commonwealth no guaranteed relief if Pennsylvania does not bring additional resources to the auction. Further, this opportunity can be extended without harm to other parties or states, all of which continue to enjoy access to the CAF II support originally and objectively designed for their use. Finally, timely consideration and ruling on Pennsylvania's Petition does not impose any conceivable delay in the FCC's parallel formulation and execution of its auction process, which the PA PUC fully supports.

Respectfully,



Regina L. Matz

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